THE FIRST SCHEDULE.

(SEE SECTION 11.)

Regulations and Forms for the Preparation of Balance Sheet.

PART I—Regulations.

1. The balance-sheet required to be prepared in respect of every class of business carried on by an insurer is, in the form in which it is set out in Part II of this Schedule (Form A), appropriate to a case where the insurer maintains a separate fund in respect of life insurance business.

2. The balance-sheet of life insurance business shall be prepared as a separate document. The balance-sheet of any class of business may be prepared as a separate document instead of being incorporated by the addition of columns and headings in the general balance-sheet, but the totals of each such separate balance-sheet (showing the total assets of the class of business, the balance at the credit of the life insurance fund or other separate fund or account, the amount of shareholders' undivided profits, and outstanding liabilities) must in any case be incorporated in the general balance-sheet.

3. If any combined balance-sheet is for any purpose issued by an insurer, it shall be in accordance with the Form set out in this Schedule, and there shall not be included among the assets shown in any such combined balance-sheet any amount in respect of any holding in or advance to any insurer whose assets and liabilities have been incorporated therein. Every combined balance-sheet must show clearly on the face thereof that it is a combined balance-sheet and must set out fully the name of every insurer whose assets and liabilities have been incorporated therein ; if the assets and liabilities of any person not being an insurer are included in a combined balance-sheet, the fact must be stated thereon.

4. Where any guarantee has been given by an insurer (otherwise than in the ordinary course of re-insurance business) in respect of the policies of any other insurer, the balance-sheet of the insurer by whom the guarantee was given must show clearly the name of every insurer whose policies have been so guaranteed and the extent of the guarantee :

Provided that this regulation shall not apply where a combined balance-sheet is issued incorporating the assets and liabilities of the insurer whose policies are guaranteed.

5. Where any part of the assets of an insurer is deposited in any place outside Mysore as security for the owners of policies issued in that place, the balance-sheet shall state that part of the assets has been so deposited, and, if any such part forms part of the life insurance fund, shall show the amount thereof and the place where it is deposited. Where any combined balance-sheet is issued by an insurer for any purpose, the information required by this regulation shall be shown in the aggregate in respect of all the insurers whose assets and liabilities have been incorporated in the balance-sheet.

6. There shall be appended to the balance-sheet a statement in Form AA as set out in Part II of this Schedule showing the market value and the book value of the assets.

7. Every balance-sheet shall contain the following certificates, namely :—

(*a*) a certificate signed by the same persons as are required by this Act to sign the balance-sheet explaining how the values as shown in the balance-sheet of the Investments in Stocks and Shares have been arrived at, and how the market value thereof has been ascertained for the purpose of comparison with the values so shown ;

(*b*) a certificate signed by the same persons as are required by this Act to sign the balance-sheet and signed also, so far as respects the value of any items shown in the balance-sheet under the heading of "Reversions and Life Interests," by an actuary, certifying that the values of all the assets have been reviewed as at the date of the balance-sheet, and that in their belief the assets set forth in the balance-sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings—"Loans," "Reversions and Life Interests," "Investments," "Agents' Balances and Outstanding Premiums," "Interest, Dividends and Rents outstanding," "Interest, Dividends and Rents accruing but not due," "Amounts due from other Persons or Bodies carrying on Insurance Business," "Sundry Debtors," "Bills Receivable," "Cash" and the several items specified under "Other Accounts" :

Provided that if the persons signing the certificate are unable to certify that the assets set forth in the balance-sheet are so shown as aforesaid, a full explanation of the basis upon which the values shown in the balance-sheet have been assessed shall be given in the certificate ;

(*c*) a certificate signed by the same persons as are required by this Act to sign the balance-sheet and by the auditor certifying that no parts of the assets of the life insurance fund has been directly or indirectly applied in contravention of the provisions of this Act relating to the application and investment of life insurance funds ; and

(*d*) certificates signed by the auditor (which shall be in addition to any other certificate or report which he is required by law to give with respect to the balance-sheet) certifying—

(*i*) that he has verified the cash balances and the securities relating to the insurer's loans, reversions and life interests, and investments ;

(*ii*) to what extent, if any, he has verified the investments and transactions relating to any trusts undertaken by the insurer as trustee ; and

(*iii*) in the case of a combined balance-sheet, that he has audited the balance-sheet and accounts of every insurer whose assets and liabilities are incorporated therein, or that any such balance-sheet and accounts which have not been audited by him have been certified by independent auditors. The said certificate shall contain a reference to such reservations, if any, as may have been made by any auditor upon any report or certificate given by him with respect to the balance-sheet and accounts

of any insurer whose assets and liabilities are incorporated in the combined balance-sheet.

8. If the value shown in the balance-sheet in respect of "Holdings in Subsidiary Companies" or "House property (* * *)" have been increased since the last previous balance-sheet, the certificate required by paragraph (*b*) of the last foregoing regulation shall state the amount of every increase not solely due to the cost of subsequent additions or, as respects holdings in *subsidiary* companies, to increased profits, and shall contain an explanation of the reason therefor.

9. For the purposes of this Schedule the following expressions have the meanings hereby respectively assigned to them, namely:—

(*a*) "combined balance-sheet" includes any combined statement made by an insurer of assets and liabilities in the form of a balance-sheet which includes the assets and liabilities of any other insurer; *and*

(*b*) "market value" means as respects any asset the market value thereof as ascertained from published market quotations or, if there be no such value, its fair value as between a willing buyer and a willing seller.

PART II—Forms.

FORM A.

FORM OF BALANCE-SHEET.

Balance-sheet of 193 .

	Life and Annuity Business (1)	Other Classes of Business (2)*	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Shareholders' Capital (each class to be stated separately)			
Authorised :—Shares of Rs.....each Rs.			
Subscribed :—Shares of Rs.....each Rs.			
Called up :—Shares of Rs.....each Rs.			
Less Unpaid calls ... Rs.			
Reserve or Contingency Accounts (*a*):			
Investment Reserve Accounts			
Profit and Loss Appropriation Account Balance			
Balances of Funds and Accounts :			
Life Insurance Fund			
Fire Insurance Business Account ...			
Marine Insurance Business Account ...			
Accident and Miscellaneous Insurance Business Account ...			
Other accounts, if any (to be specified) ...			
Pension or Superannuation Accounts (*b*) ...			
Debenture Stock per cent ...			
Loans and Advances (*c*)			
Bills Payable (*c*)			
Estimated Liability in respect of outstanding claims, whether due or intimated (*d*)			
Annuities due and unpaid (*d*)			
Outstanding Dividends			
Amounts due to Other Persons or Bodies carrying on Insurance Business (*c*) ...			
Carried over ...			

	Life and Annuity Business (1)	Other Classes of Business (2)*	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Loans :			
On Mortgages of property within Mysore ...			
On Mortgages of property outside Mysore ...			
On Security of municipal and other public rates			
On Stocks and Shares			
On Insurer's policies within their surrender value			
On personal security			
To Subsidiary Companies (other than Reversionary (*f*)			
Reversions and Life Interests :			
Reversions and Life Interests purchased ...			
Loans on Reversions and Life Interests ...			
Debentures and Debenture Stocks of Subsidiary Reversionary Companies (*f*) ...			
Ordinary Stocks and Shares of Subsidiary Reversionary Companies (*f*) ...			
Loans to Subsidiary Reversionary Companies (*f*)			
Investments			
Deposit with the Comptroller (Securities to be specified)			
Mysore Government Securities			
Securities of District Boards and other local bodies guaranteed by the Mysore Government			
Other approved Securities (particular to be given)			
Holdings in *Subsidiary* Companies (*f*) ...			
House property			
Freehold and Leasehold ground rents and rent charges			
Agent's Balances			
Outstanding Premiums (*g*)			
Interest, Dividends and Rents outstanding (*d*)			
Carried over ...			

99 108

Sundry Creditors (including outstanding and accruing expenses and taxes) (*c*) ...				Interest, Dividends and Rents accruing but not due (*d*)				
Other sums owing by the insurer (particulars to be given (*c*)				Amounts due from other Persons or Bodies carrying on Insurance Business (*h*) ...				
Contingent Liabilities to be specified (*e*) ...				Sundry Debtors (*i*)				
				Bills Receivable				
Rs. ...				Cash :				
				At Bankers on Deposit Account ...				
				At Bankers on Current Account and in hand				
				At Call and Short Notice (*j*)				
				Other Accounts to be specified (*k*) ...				

* Assets and Liabilites, Shareholders' Capital and Reserves, not allocated to any class of business specified in column (1) must be shown in column (2).

Notes.

(*a*) The Reserves or Contingency Accounts must be separately stated.

(*b*) If the insurer has not full and unrestricted control of the assets constituting the Pension or Superannuation Accounts either those Accounts and the assets and liabilities relating thereto must be omitted from the balance-sheet or the assets of which the insurer has not such control must be clearly indicated on the face of the balance-sheet.

(*c*) If the insurer has deposited security as cover in respect of any of these items, the amount and nature of the securities so deposited must be clearly indicated on the face of the balance-sheet.

(*d*) These items are or have been included in the corresponding items in the Revenue or Profit and Loss Account. Outstanding and accruing interest, dividends and rents must be shown after deduction of income-tax or the income-tax must be provided for amongst the liabilities on the other side of the balance-sheet.

(*e*) Such items as amount of liability in respect of bills discounted, uncalled capital of subsidiary companies, uncalled capital of other investments, etc., must either be shown in their several categories under the heading "Contingent Liabilities" or the appropriate items on the assets side must be set out in such details as will clearly indicate the amount of the uncalled capital.

(*f*) As respects life and annuity business full particulars of holdings in and loans to subsidiary companies must be stated, giving the name of each company, the number and description of each class of shares held, the amounts paid up thereon, and the value at which the holdings in each company stand in the balance-sheet.

(*g*) Either this item must be shown net or the commission must be provided for amongst the liabilities on the other side of the balance-sheet.

(*h*) The aggregate amount owing by a subsidiary company or subsidiary companies is to be shown separately from all other assets and the aggregate amount owing to a subsidiary company or subsidiary companies is to be shown separately from all other liabilities.

(*i*) Amounts due from directors and officers must be shown separately.

(*j*) No amounts must be entered under this heading unless fully secured. If not fully secured the amounts must be included under the heading "Sundry Debtors."

(*k*) Under this heading must be included such items as the following, which must be shown under separate headings suitably described: office furniture, goodwill, preliminary, formation and organisation expenses, development expenditure account, discount on debentures issued, other expenditure carried forward to be written off in future years, balance being loss on Profit and Loss Appropriation Accounts, etc. The amounts included in the balance-sheet must not be in excess of cost.

(*l*) Under the head "Other Accounts, if any, to be specified" on the left hand side, fines realised from the staff and their contribution towards the provident fund, if any, should be shown under separate sub-heads.

FORM AA.

Classified Summary of the Assets of the..... Company on ..... 19 .

Class of Asset	Book value as per (a) below	Market value as per (b) below	Remarks as per (c) below
	Rs.	Rs.	
(1) Securities of the Government of Mysore.			
(2) Securities and debentures issued by District Boards and other local bodies and guaranteed by Government.			
(3) Other approved securities (particulars to be given).			
(4) Loans on the Company's policies and within their surrender value.			
(5) Loans on Mortgage or property.			
(6) Loans on personal security.			
(7) Other loans (particulars to be stated).			
(8) Land and House Property.			
(9) Cash on Deposit in banks.			
(10) Cash in hand and on current account in banks.			
(11) Agents' balances and outstanding premiums.			
(12) Interest, dividends and rents either outstanding or accrued but not due.			
(13) Other assets (to be specified).			

The statement shall show—

(a) the value for which credit is taken in the balance-sheet for each of the abovementioned classes of assets,

(b) the market value of such of the abovementioned classes of assets as has been ascertained from published quotations after deduction of accrued interest included in market prices in those cases where accrued interest is included elsewhere in the balance-sheet,

(c) how the value of such of the abovementioned classes of assets as has not been ascertained from published quotations has been arrived at, and

(d) the rates of exchange at which the values of the assets other than in rupee currency have been converted into rupees.

The market values need not be shown separately where they are not less than the book values and a certificate to that effect is appended to the statement.

No amounts on account of any of the following items may be entered in the statement:—

Goodwill.

Preliminary, formation, organisation or development expenses.

Commission or discount on shares or debentures issued.

Commuted Commission.

Expenditure carried forward to be written off in future years.

THE SECOND SCHEDULE.

(SEE SECTION 11.)

Regulations and Forms for the preparation of Profit and Loss Accounts.

PART I.—Regulations.

1. The items on the income side of the Profit and Loss Account and Profit and Loss Appropriation Account must relate to income, whether actually received or not, and the items on the expenditure side must relate to expenditure whether actually paid or not.

2. Deductions from Interest, Dividends and Rents to be shown in respect of income-tax must include all amounts in respect of Mysore income-tax whether or not it has been or is to be deducted at source or paid direct.

3. The Interest, Dividends and Rents, less income-tax thereon shown in the Revenue Accounts for any classes of business other than life insurance business, including annuity business may, if the insurer so desires, be included with the corresponding items in the Profit and Loss Account.

PART II—Forms.

FORM B.

FORM OF PROFIT AND LOSS ACCOUNT.

Profit and Loss Account of for the year ended 19

	Rs. a. p.		Rs. a. p.
Mysore Taxes on the Insurer's Profits (not applicable to any particular Fund or Account) ...		Interests, Dividends and Rents (not applicable to any particular Fund or Account) ... Rs.	
		Less—Income-tax thereon ... Rs.	
Expenses of Management (not applicable to any particular Fund or Account)* ...		Profit on realisation of Investments (not credited to Reserves or any particular Fund or Account) ...	
Loss on Realisation of Investments (not charged to Reserves or any particular Fund or Account)		Appreciation of Investments (not credited to Reserves or any particular Fund or Account) ...	
Depreciation of Investments (not charged to Reserves or any particular Fund or Account) ...		Profit transferred from Revenue Accounts (details to be given) ...	
Loss transferred from Revenue Accounts (details to be given).		Transfer Fees ...	
Other Expenditure (to be specified) ...		Other Income (to be specified) ...	
Balance for the year carried to Appropriation Account) ...		Balance being loss for the year carried to Appropriation Account ...	

*If any sum has been deducted from this item and entered on the assets side of the balance-sheet, the amount must be shown separately.

FORM C.

FORM OF PROFIT AND LOSS APPROPRIATION ACCOUNT.

Profit and Loss Appropriation Account of ... for the year ended 19

	Rs. a. p.		Rs. a. p.
Balance being loss brought forward from last year ...		Balance brought forward from last year Rs.	
Balance being loss for the year brought from Profit and Loss Account (as in Form B) ...		Less—Dividends since paid in respect of last year (to be specified and if "free of tax" to be so stated)* ... Rs.	
Dividends paid during the year on account of the current year (to be specified and if "free of tax" to be so stated) ...			
Transfers to any particular Funds or Accounts (details to be given) ...		Balance for the year brought from Profit and Loss Account (as in Form B) ...	
Balance at end of the year as shown in the Balance-sheet ...		Balance being loss at end of the year as shown in the Balance-sheet ...	

*NOTE.—This item may be shown on the other side of the account if preferred.

THE THIRD SCHEDULE.

(SEE SECTION 11.)

Regulations and Forms for the preparation of Revenue Accounts.

PART I.—Regulations.

1. Form D is, as set out in Part II of this Schedule, appropriate for life insurance business, but a separate revenue account must be prepared for every class of business in respect of which the insurer is required to maintain a separate account.

2. Form F is, as set out in Part II of this Schedule, appropriate for fire insurance business. A separate revenue account in the same form must be prepared for accident and miscellaneous insurance including workmen's compensation and motor car insurance. *Form E is, as set out in Part II of this Schedule appropriate for marine insurance business.*

3. If any combined revenue account is for any purpose issued by an insurer it must be in accordance with the forms specified in this Schedule and must clearly show on the face thereof that it is a combined revenue account, and must set out fully the name of every insurer required to make separate returns under this Act whose revenue and expenditure have been included therein; if the revenue and expenditure of any person not being an insurer are included in a combined revenue account, the fact must be stated thereon.

4. The items on the income side of the revenue account must relate to income whether actually received or not, and the items on the expenditure side must relate to expenditure whether actually paid or not.

5. Re-insurance premiums, whether on business ceded or accepted, are to be brought into account gross (*i.e.*, before deducting commissions) under the head of premiums.

6. As respects life insurance business, the following statements shall be furnished to the Superintendent *of Insurance* every year showing details provided for in a Form pertaining thereto:—

(*a*) A statement in Form D D as set forth in Part II of this Schedule.

(*b*) A statement in Form D D D as set forth in Part II of this Schedule.

(*c*) A statement in Form DDDD as set forth in Part II of this Schedule.

7. The following information shall be supplied in addition to the revenue account, namely, the gross premium written in Mysore for life, fire, marine and accident and miscellaneous insurance business.

8. Any office premises which form part of the assets of a life insurance fund must be treated as an interest earning investment, and accordingly, in the revenue account for life insurance business a fair rent for the premises must be included under the heading "Interest, Dividends and Rents" and in the revenue account for every

class of business for which the premises are used proper charges for the use thereof must be included under the heading " Expenses of Management."

9. Where an insurer carries on *the* business of life insurance in conjunction with any other class of insurance business the expenses of management charged to the Life Insurance revenue account must not include more than a reasonable proportion of the common expenses and in particular, no such account must be charged with more than a fair sum for the use of any office premises having regard to the income from the various classes of business carried on and to the extent to which the premises are used for the purposes of *each* class of business.

10. Deductions from Interest, Dividends and Rents in respect of income-tax must include all income-tax *charged on such income* whether or not it has been or is to be deducted at source or paid direct; the income-tax to be shown as so deducted in the life insurance Revenue Account is Mysore and Foreign income-tax, but the income-tax to be shown as deducted in Revenue Accounts *of* any other classes of business is Mysore income-tax only.

PART II—Forms.

FORM D.

FORM OF REVENUE ACCOUNT APPLICABLE TO LIFE INSURANCE BUSINESS.

Revenue Account of in respect of for the year ended 19 , Business.

	Business within Mysore	Business out of Mysore (a)	Total		Business within Mysore	Business out of Mysore (a)	Total
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Claims under Policies (including provision for claims due or intimated) less Re-insurances.				Balance of Fund at the beginning of the year.			
By death ...				Premiums, less Re-insurances.			
By maturity ...				(i) First year premiums.			
Annuities, less Re-insurances.				(ii) Renewal premiums.			
Surrenders (including Surrenders of Bonus), less Re-insurances.				(iii) Single premiums.			
Bonuses in cash, less Re-insurances.				Consideration for Annuities granted, less Re-insurances (c).			
Bonuses in Reduction of Premiums, less Re-insurances.				Interest, Dividends and Rents.			
Commission— Less *that* on Re-insurances.				Less—Income-tax thereon (d).			

——	*Business within Mysore*	*Business out of Mysore (a)*	Total	——	*Business within Mysore*	*Business out of Mysore (a)*	Total
	Rs.	*Rs.*	*Rs.*		*Rs.*	*Rs.*	*Rs.*
*Expenses of management (b)—				Registration Fees			
(1) Commission and allowances ...							
(2) Salaries, etc., (other than to agents and those contained in item No. 1).				Other income (to be specified) (*c*) ...			
(3) Travelling expenses ...							
(4) Directors' fees ...							
(5) Auditors' fees							
(6) Law charges ...							
(7) Advertisements							
(8) Printing and Stationery ...							
(9) Other expenses of management (accounts to be specified) ...				Loss transferred to Profit and Loss Account.			
(10) Other payments (accounts to be specified)							
(11) Rents for offices belonging to and occupied by the insurer ...				Transferred from Appropriation Account ...			
(12) Rents of other offices occupied by the insurer							
Bad Debts							

75

	Business within Mysore	*Business out of Mysore (a)*	Total		*Business within Mysore*	*Business out of Mysore (a)*	Total
	Rs	*Rs.*	*Rs.*		*Rs.*	*Rs.*	*Rs.*
Mysore and *Foreign* Taxes							
Other expenditure (to be specified) ...							
Profit transferred to Profit and Loss Account.							
Balance of Fund at the end of the year as shown in the Balance-sheet.							

NOTES.

(*a*) In the case of an insurer having his head office in Mysore, these columns apply only to business the premiums in respect of which are payable outside Mysore.

(*b*) If any sum has been deducted from this item and entered on the assets side of the balance-sheet, the amount so deducted must be shown separately. Under this item the salary paid to the managing agent or managing director shall be shown separately, from the total amount paid as salaries to the remaining staff.

(*c*) All single premiums for annuities whether immediate or deferred, must be included under this heading.

(*d*) Mysore and *Foreign* income-tax on Interest, Dividends and Rents must be shown under this heading, less any rebates of income-tax recovered from the revenue authorities in respect of expenses of management. The separate heading on the other side of the account is for Mysore and *Foreign* taxes, other than those shown under this item.

(*e*) Under the head "Other Income" fines, if any, realised from the staff must be shown separately. All the amounts received by the insurer directly or indirectly whether from his Head Office or from any other source outside Mysore shall also be shown separately in the revenue account, except such sums as properly appertain to the capital account.

* In the case of an insurer having his principal place of business outside Mysore the expenses of management for business out of Mysore and total business need not be split up to the several sub-heads, if they are not so split up in his own country.

FORM DD.

Classified statement of life-insurance policies of the Company, for the year ending 19 .

	New life insurance business in respect of which a premium has been paid in the year.				Total life insurance business in force at end of the year.		Premium income for which credit has been taken in the revenue account.
	Number of policies.	Sums insured and annuities per annum.	Single premiums (including consideration for immediate annuities and all other premiums paid at the outset where no subsequent premium is payable).	Yearly renewal premium income.	Number of policies.	Sums insured with bonuses and annuities per annum.	
Ordinary policies.		Rs.	Rs.	Rs.		Rs.	Rs.
In Mysore							
Out of Mysore							
Total ...							
Annuity contracts, etc.							
In Mysore							
Out of Mysore							
Total ...							
Group insurance policies.							
In Mysore							
Out of Mysore							
Total ...							

The amounts should be stated to the nearest rupee and after deduction of re-insurances.

FORM DDD.

Additions to and deductions from policies of the.....Company for the year ending.....19

	Ordinary life insurance policies insuring money to be paid on death or survivance.			Annuities.	
	No.	Sum assured.	Reversionary bonus additions.	No.	Annuity per annum.
		Rs.	Rs.		Rs.
(1) Policies at beginning of year					
(2) New policies issued					
(3) Old policies revived					
(4) Old policies changed and increased					
(5) Bonus additions allotted					
Total ...					
DISCONTINUED DURING YEAR.					
(6) By death					
(7) By survivance or the happening of the contingencies insured against other than death.					
(8) By expiry of term under temporary insurances...					
(9) By surrender of policy					
(10) By surrender of bonus					
(11) By forfeiture or lapse					
(12) By change and decrease					
(13) By being not taken up					
Total discontinued ...					
Total existing at end of year ...					

FORM DDDD.

Particulars of the policies forfeited or lapsed in the last financial year under review, less those revised and reinstated for full benefits, classified according to the year in which they were issued.

Financial year in which the policies were issued	Number of policies forfeited or lapsed	Sum *insured* under policies forfeited or lapsed
		Rs.
Year ending 19 , being the year under review	...	...
Year ending 19 , being the year previous to that under review ...	...	...

And so on, the number of and sum insured under policies forfeited or lapsed in the last financial year under review being stated after classification according to each of the preceding years in which they were issued.

A separate statement must be given in respect of each class of life insurance business for which a separate revenue account is submitted.

Insurers having their principal place of business in Mysore shall give the information required in the form separately for business transacted in Mysore and business transacted outside Mysore and the insurers having their principal place of business outside Mysore will furnish information regarding business transacted in Mysore only.

FORM E.

Form of Revenue Account applicable to Marine Insurance Business.

Revenue Account of for the year ended 19 ,
in respect of Marine Insurance Business.

—	Current year	Last preceding year	Previous years	Total	—	Current year	Last preceding year	Previous years	Total
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
*Claims paid (less Salvages and Re-insurances) (*a*) (*c*).					Balance of Marine Insurance Business Account at beginning of the year:				
*Commission ...					Balances ...				
*Expenses of Management (*b*).					Additional Reserve (if any).				
*Bad Debts ...									
United Kingdom British Indian. Dominion and Foreign Taxes.					*Premiums (less Returns, Reinsurances, Brokerages and Discount (*c*).				
*Other Expenditure (to be specified).					Interest, Dividends and Rents .....Rs.				
Profit transferred to Profit and Loss Account.					Less—Income-tax thereon .....Rs.				
Balance of Marine Insurance Business Account at end of year as shown in the Balance Sheet:					*Other Income (to be specified) (*d*).				
Balances ...					Loss transferred to Profit and Loss Account...				
Additional Reserve (if any).					Transferred from Appropriation Account ...				

Notes.

(*a*) This heading must include all expenses directly incurred in settling claims.

(*b*) If any sum has been deducted from this item and entered on the assets side of the balance-sheet the amount so deducted must be shown separately.

(*c*) Where the account is furnished under the provisions of section 11 of the Insurance Act, 1938, separate figures for claims paid to claimants in *Mysore* and claimants outside *Mysore*, and for premiums derived from business effected in *Mysore* and effected outside British India must be given.

(*d*) All the amounts received by the insurer directly or indirectly whether from his head office or from any other source outside *Mysore* shall also be shown separately in the revenue account except such sums as properly appertain to the capital account.

*Where the account is furnished under the provisions of clause (b) of sub-section (2) of section 16 of the Insurance Act, 1938, by an insurer to whom that section applies, separate figures for business within *Mysore* and business out of *Mysore* must be given against the items marked with an asterisk. Against all other items the total amount for the business as a whole may be given.

FORM F.

FORM OF REVENUE ACCOUNT APPLICABLE TO FIRE INSURANCE BUSINESS AND TO ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS INCLUDING WORKMEN'S COMPENSATION AND MOTOR CAR INSURANCE BUSINESS.

Revenue Account of for the year ended 19 ,
in respect of Business.

	Rs.		Rs.
*Claims under Policies, less Re-insurances (a) (d):		Balance of Account at beginning of the year:	
Paid during the year ... Rs.		Reserve for Unexpired Risks ... ... Rs.	
Total estimated liability in respect of outstanding claims at end of the year whether due or intimated ...		Additional Reserve (if any) ... ... Rs.	
Total ...		*Premiums, less Re-insurances (d)	
Less—Outstanding at end of previous year (b) ... Rs.		Interest, Dividends and Rents ... ... Rs.	
*Commission		Less—Income-tax thereon. Rs.	
*Expenses of Management (c) ...		*Other Income (to be specified ((e)	
*Bad Debts		Loss transferred to Profit and Loss Account	
Foreign Taxes		Transferred from Appropriation Account	
*Other Expenditure (to be specified			
Profit transferred to Profit and Loss Account			
Balance of Account at the end of the year as shown in the Balance—Sheet:			
Rs.			
Reserve for Unexpired Risks, being—per cent. of premium income of year ... ... Rs.			
Additional Reserve (if any). ... ... Rs.			
Rs. ...		Rs. ...	

NOTES.

(a) This heading must include all expenses directly incurred in settling claims.

(b) If in any year the claims actually paid and those still unpaid at the end of that year in respect of the previous year or years are in excess of the amount included in the previous year's Revenue Account as provision for outstanding claims, then the amount of such excess must be shown in the Revenue Account.

(c) If any sum has been deducted from this item and entered on the assets side of the balance-sheet the amount so deducted must be shown separately.

(d) Where the account is furnished under the provisions of section 11 of the Insurance Act, 1938, separate figures for claims paid to claimants in Mysore and claimants outside Mysore, and for premiums derived from business effected in Mysore and effected outside Mysore must be given.

(e) All the amounts received by the insurer directly or indirectly whether from his head office or from any other source outside Mysore shall also be shown separately in the revenue account, except such sums as properly appertain to the capital account.

*Where the account is furnished under the provisions of clause (b) of sub-section (2) of section 16 of the Insurance Act, 1938, by an insurer to whom that section applies, separate figures for business within Mysore and business out of Mysore must be given against the items marked with an asterisk. Against all other items the total amount for the business as a whole may be given.

THE FOURTH SCHEDULE.

(SEE SECTION 13.)

Regulations for the preparation of Abstracts of Actuaries' Reports and Requirements applicable to such Abstracts.

PART I.—Regulations.

1. Abstracts and Statements must be so arranged that the numbers and letters of the paragraphs correspond with those of the paragraphs of Part II of this Schedule.

2. In showing the proportion which that part of the annual premiums reserved as a provision for future expenses and profits bears to the total of the annual premiums, in accordance with the requirements of paragraph 3 of Part II of this Schedule, no credit is to be taken for any adjustments made in order to secure that no policy is treated as an asset.

3. (1) The average rate of interest yielded in any year by the assets constituting a life insurance fund shall, for the purposes of paragraph 4 of Part II of this Schedule, be calculated by dividing the interest of the year by the mean fund of the year; and for the purposes of any such calculation the interest of the year shall be taken to be the whole of the interest credited to the life insurance fund during the year after deduction of income-tax charged thereon (any refund of income-tax in respect of expenses of management made during the year being taken into account), and the mean fund of the year shall be ascertained by adding a sum equal to one-half of the amount of the life insurance fund at the beginning of the year to a sum equal to one-half of that fund at the end of the year, and deducting from the aggregate of those two sums an amount equal to one-half of the interest of the year.

(2) For the purposes of the calculation aforesaid either—

(*a*) all profits and income arising during the year from sums invested in reversions shall be included in the interest credited to the life insurance fund during the year; or

(*b*) such portion of the life insurance fund as is invested in the purchase of reversions, and the profits and income arising therefrom, shall be excluded from the calculation; but in that case a statement must be added to the information required under the said paragraph 4, showing in respect of the portion of the fund so excluded as aforesaid, the average rate of annual profit and income for which credit has been taken during the five years last preceding the valuation date, and explaining the manner in which the said average rate has been calculated.

(3) The information given in accordance with the requirements of the said paragraph 4, shall show clearly by which of the methods hereinbefore in this regulation mentioned the sums invested in reversions and the profits and income arising therefrom have been dealt with.

4. Every abstract prepared in accordance with the requirements of Part II of this Schedule shall be signed by an actuary and shall contain a certificate by him to the effect that he has satisfied himself as to the accuracy of the valuations made for the purposes thereof and of the valuation data:

Provided that in the case of an abstract prepared on behalf of an insurance company, if the actuary who signs the abstract is not a permanent officer of the company, the certificate as to the accuracy of the valuation data shall be given and signed by the principal officer of the company and the actuary shall include in the abstract a statement signed by him showing what precautions he has taken to ensure the accuracy of the data.

5. For the purposes of this Schedule the following expressions have the meanings hereby respectively assigned to them, namely:—

"extra premium" means, a charge for any risk not provided for in the minimum contract premium;

"inter-valuation period" means, as respects any valuation, the period to the valuation date of that valuation from the valuation date of the last preceding valuation in connection with which an abstract was prepared under this Act or, in a case where no such valuation has been made in respect of the class of business in question, from the date on which the insurer began to carry on that class of business;

"maturity date" means the fixed date on which any benefit will become payable either absolutely or contingently;

"net premiums" means as respects any valuation the premiums taken credit for in the valuation;

"premium term" means the period during which premiums are payable;

"valuation date" means as respects any valuation the date as at which the valuation is made.

PART II.—Requirements applicable to an Abstract in respect of Life Insurance Business.

The following tabular statements shall be annexed to every abstract prepared in accordance with the requirements of this Part of this Schedule, namely:—

(*a*) a Consolidated Revenue Account, in the Form G annexed to this Part of this Schedule, for the inter-valuation period (except that it shall not be necessary to prepare such an account in respect of any class of business so long as the insurer deposits annually with the Superintendent of Insurance an abstract in respect of that class of business); *and*

(*b*) a Summary and Valuation in the Form H annexed to this Part of this Schedule of the policies included at the valuation date in the class of business to which the abstract relates; and

(*c*) a Valuation Balance Sheet in the Form I annexed to this Part of this Schedule ; and

(*d*) *a statement in Form D D D as set forth in Part II of the Third Schedule of the additions to and deductions from the number of policies and the sums insured thereunder for each class of life insurance ; and*

(*e*) a statement in Form *D D D D as set forth in* Part *II* of *the Third Schedule* of *particulars of policies forfeited or lapsed under each class of life insurance* ;

and every such abstract shall show :—

1. The valuation date ;

2. The general principles and full details of the methods adopted in the valuation of each of the various classes of insurances and annuities shown in the said Form H, including statements on the following points :—

(*a*) whether the principles were determined by the instruments constituting the company or by its regulations or bye-laws or how otherwise ;

(*b*) the method by which the net premiums have been arrived at and how the ages at entry, premium terms and maturity dates have been treated for the purpose of the valuation ;

(*c*) the methods by which the valuation age, period from the valuation date to the maturity date, and the future premium terms, have been treated for the purpose of the valuation ;

(*d*) the rate of bonus taken into account whereby the method of valuation definite provision is made for the maintenance of a specific rate of bonus ;

(*e*) the method of allowing for —

(*i*) the incidence of the premium income ; and

(*ii*) premiums payable otherwise than annually ;

(*f*) the methods by which provision has been made for the following matters, namely :—

(*i*) the immediate payment of claims ;

(*ii*) future expenses and profits in the case of limited payment and paid-up policies ;

(*iii*) the reserve in respect of lapsed policies, not included in the valuation, but under which a liability exists or may arise ; and whether any reserves have been made for the matters aforesaid ;

(*g*) whether under the valuation method adopted any policy would be treated as an asset, and if so what steps, if any, have been taken to eliminate such asset ;

(*h*) a statement of the manner in which policies on under-average lives and policies subject to premiums which include a charge for climatic, military or other extra risks have been dealt with ; and

(*i*) the rates of exchange at which liabilities in respect of policies issued in foreign currencies have been converted into

rupees and what provision has been made for possible increase of liability arising from future variations in the rates of exchange.

3. The table of mortality used, and the rate of interest assumed, in the valuation.

4. The proportion which that part of the annual premiums reserved as a provision for future expenses and profits bears to the total of the annual premiums, separately specified in respect of insurances with immediate profits, with deferred profits, with profits under discounted bonus systems, and without profits.

5. The average rates of interest yielded by the assets, whether invested or uninvested, constituting the life insurance fund for each of the years covered by the valuation date.

6. The basis adopted in the distribution of profits as between the insurer and *policy-holders*, and whether such basis was determined by the instruments constituting the company, or by its regulations or bye-laws, or how otherwise.

7. The general principles adopted in the distribution of profits among *policy-holders*, including statements on the following points, namely:—

(*a*) whether the principles were determined by the instruments constituting the company, or by its regulations or bye-laws, or how otherwise;

(*b*) the number of years' premiums to be paid, period to elapse and other conditions to be fulfilled before a bonus is allotted;

(*c*) whether the bonus is allotted in respect of each year's premium paid, or in respect of each completed calendar year or year of assurance or how otherwise; and

(*d*) whether the bonus vests immediately on allocation, or, if not, the conditions of vesting.

8. (1) The total amount of profits arising during the inter-valuation period, including profits paid away and sums transferred to reserve funds or other accounts during that period, and the amount brought forward from the preceding valuation (to be stated separately) and the allocation of such profits—

(*a*) to interim bonus paid;

(*b*) among *policy-holders* with immediate participation, giving the number of the policies which participated and the sums assured thereunder (excluding bonuses);

(*c*) among *policy-holders* with deferred participation, giving the number of the policies which participated and the sums assured thereunder (excluding bonuses);

(*d*) among *policy-holders* in the discounted bonus class, giving the number of the policies which participated and the sums assured thereunder (excluding bonuses);

(*e*) to the insurer, or in the case of an insurance company, among shareholders or to shareholders' accounts (any such sums passed through the accounts during the inter-valuation period to be separately stated);

(*f*) to every reserve fund or other fund or account (any such sums passed through the accounts during the inter-valuation period to be separately stated);

(*g*) as carried forward unappropriated.

(2) Specimens of bonuses allotted as at the valuation date to policies for one thousand rupees—

(*a*) for the whole term of life effected at the respective ages of 20, 30 and 40, and having been in force respectively for five years, ten years and upwards at intervals of ten years; and

(*b*) for endowment insurances effected at the respective ages of 20, 30 and 40, for endowment terms of fifteen, twenty and thirty years, and having been in force respectively for five years, ten years and upwards at intervals of ten years;

together with the amounts apportioned under the various manners in which the bonus is receivable.

9. A statement in Form J annexed to this Part of this Schedule of specimen policy reserve values held or required to be held according to the methods adopted in the valuation, and specimen minimum surrender values in respect of whole life insurance policies for Rs. 1,000 with premiums payable throughout life effected at the respective ages of 20, 30, 40 and 50, and immediately on payment of the first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, fifteenth and twentieth annual premium; with similar specimen policy reserve values and specimen surrender values in respect of whole life insurance policies subject to premiums payable for 20 years and of endowment insurance policies maturing at age 55.

10. A statement showing how the liability under any disability clause in a policy has been determined in the valuation with full information of the tables of sickness or accident used for the purpose

FORM G.

Consolidated Revenue Account of for years commencing and ending

	Business within Mysore	Total		Business within Mysore	Total
	Rs.			Rs.	
Claims under Polices (including provision for claims due or intimated) less Re-insurances—			Balance of Life Insurance Fund at the beginning of the period ...		
By death			Premiums, less Re-insurances ...		
By maturity			Consideration for Annuities granted less Re-insurances (*b*)		
Annuities, less Re-insurances ...					
Surrenders (including Surrenders of Bonuses), less Re-insurances ...					
Bonuses in Cash, less Re-insurances ...			Interest, Dividends and Rents ... ... Rs.		
Bonuses in Reduction of Premiums, less Re-insurances					
Commission (less that on Re-insurances)			Less—Income-tax thereon (*c*) ... ... Rs.		
Expenses of management (*a*) Agents' and Canvasser's allowance ...					
Salaries, etc., (other than to Agents and Canvassers)					
Travelling expenses					
Directors' fees					
Auditors' fees					
Medical fees					
Law charges					
Advertising, Printing and Stationery.					
Other expenses of management (Accounts to be specified)			Registration Fees		
Other payments (Accounts to be specified)			Other Income (to be specified) ...		
Rents for offices belonging to and occupied by the company ...					
Rents of other offices occupied by the company			Loss transferred to Profit and Loss Account		
Mysore and *Foreign* Taxes ...					
Bad Debts			Transferred from Appropriation Account		
Other Expenditure (to be specified) ...					
Profit transferred to Profit and Loss Account					
Balance of Life Insurance Fund at end of the period as shown in the Balance sheet					
Rs.			Rs.		

NOTES.

(*a*) If any sum has been deducted from this item and entered on the assets side of the balance-sheet, the amount so deducted must be shown separately.

(*b*) All single premiums for annuities, whether immediate or deferred, must be included under this heading.

(*c*) Mysore and *Foreign* income-tax on Interest, Dividends and Rents must be shown under this heading, less any rebates of Income-tax recovered from the revenue authorities in respect of expenses of management. The separate heading on the other side of the account is for Mysore and *Foreign* taxes, other than those shown under this item.

(*d*) In the case of an insurer having his principal place of business outside Mysore expenses of management for the total business need not be split up in the several sub-heads, if they are not so split up in his own country.

FORM H.

Summary and Valuation of the Policies of as at 19 .

Description of Transactions	Particulars of the Policies for Valuation					Valuation			
	Number of policies	Sums Assured	Bonuses	Office Yearly Premiums	Net Yearly Premiums	Sums Assured and Bonuses	Office Yearly Premiums	Net Yearly Premiums	Net Liabilities
DIVISION I.									
Insurances.									
Group A.—									
With immediate participation in profits.									
For whole term of life									
Other classes (to be specified) ...									
Extra premiums									
Total Insurances									
Deduct—Re-insurances									
Net insurances									
Group B.—									
With deferred participation in profits ...									
For whole term of life									
Other classes (to be specified) ...									
Extra premiums									
Total Insurances									
Deduct—Re-insurances									
Net insurances									
Group C.—									
Under discounted bonus systems ...									
For whole term of life									
Other classes (to be specified) ...									
Extra premiums									
Total Insurances									
Deduct—Re-insurances									
Net insurances									
Total insurances with profits ...									

1290 88

Group D.—									
Without participation in profits ...									
For whole term of life ...									
Other classes (to be specified) ...									
Extra premiums									
Total insurances									
Deduct—Re-insurances... ...									
Net insurances									
Total insurances without profits ...									
Total of the insurances shown in all groups									
Deduct—Re-insurances									
Net amount of insurances									
Adjustments, if any (to be separately specified)									
DIVISION II.									
Annuities on Lives.									
Immediate Annuities									
Deferred Annuities with return of premiums									
Deferred Annuities without return of premiums									
Other classes (to be specified)... ...									
Total Annuities									
Deduct—Re-insurances									
Net Annuities on Lives									
Total of the results (after deduction of Re-insurances).									

NOTES.

1. Items in this Summary are to be stated to the nearest rupee.

2. No policy of insurance upon the lives of a group of persons, whereby sums assured are payable in respect of the several persons included in the group, is to be included in Groups A, B, C or D of this Form: any such policies must be shown in a separate Group which must be added to the Form.

3. If policies without participation in profits but with a guaranteed rate of bonus are issued they must be separately specified in Group D of this Form.

4. Policies under which there is a waiver of premiums during disability must be shown as a separate class.

5. Separate forms must be prepared in respect of classes of policies valued by different tables of mortality or at different rates of interest or involving the valuation of net premiums on different bases.

6. In cases where separate valuations of any portion of the business are required under local laws in places outside Mysore and reserves based on such valuations are deposited in such places, a statement must be furnished in respect of the business so valued in each such place showing the total number of policies, the total sums assured and bonuses, the total office yearly premiums, and the total net liability on the bases as to mortality and interest adopted in each such place with a statement as to such bases respectively.

7. Office and net premiums and the values thereof must be shown after deduction of abatements made by the application of bonus.

89 131

FORM I.

Valuation Balance-sheet of as at 19 .

	Rs.		Rs
Net liability under business as shown in the Summary and Valuation of Policies.		Balance of Life Insurance Fund as shown in the Balance-sheet.	
Surplus, if any		Deficiency, if any	

NOTE.—If the proportion of surplus allocated to the insurer, or in the case of an insurance company to shareholders, is not uniform in respect of all classes of insurances, the surplus must be shown separately for the classes to which the different proportions relate.

FORM J.

Specimen policy reserve values and minimum surrender values under a policy for Rs. 1,000.

Number of premiums paid	Age at entry 20		Age at entry 30		Age at entry 40		Age at entry 50.	
	Reserve value	Minimum surrender value	Reserve value	Minimum surrender value	Reserve value	Minimum surrender value	Reserve value	Minimum surrender value
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
15.								
20.								

NOTE.—Items in this Form to be stated to the nearest rupee.

133
91

THE FIFTH SCHEDULE.

(SEE SECTION 13.)

Regulations for preparing statements of business in force and requirements applicable to such statements.

PART I—Regulations.

1. Statements prepared under this Schedule must be prepared, so far as practicable, in tabular form and must be identified by numbers and letters corresponding with those of the paragraphs of Part II of this Schedule.

2. Except with respect to rates of premium or contribution, items in statements prepared under this Schedule are to be shown to the nearest rupee.

3. Extra premium shown in the forms of Summary and Valuation prepared under the Fourth Schedule to this Act must not be included in statements prepared under this Schedule.

4. Every statement prepared under this Schedule shall be signed by the Actuary making the investigation in connection with which it is prepared.

5. For the purposes of this Schedule the following expressions have the meanings hereby respectively assigned to them, namely :—

(*a*) "Annual loading" means the provision made for future expenses and profits ;

(*b*) "Extra premiums" means a charge for any risk not provided for in the minimum contract premium ;

(*c*) "Net premiums" means the premiums taken credit for in the valuation in connection with which any statement is prepared ; and

(*d*) "Valuation date" means as respects any valuation the date as at which the valuation is made.

PART II.—Requirements for statements applicable to Life Insurance Business.

The statements required to be prepard under this Part of this Schedule are as follows, namely :—

1. Statements, separately prepared in respect of policies with and without participation in profits, showing—

(*a*) as respects policies for the whole term of life, the rates of office premiums charged, in accordance with the published tables in use, for new policies giving the rates for decennial ages at entry from 20 to 70 inclusive ; and

(*b*) as respects endowment insurance policies, the rates of office premiums charged, in accordance with the published tables in use, for new policies with original terms of ten, fifteen, twenty, thirty and forty years, giving the rates for decennial ages at entry from 20 to 40 inclusive, but excluding policies under which the age at maturity exceeds 60.

2. Statements, separately prepared in respect of policies with immediate profits, with deferred profits, with profits under discounted bonus systems, and without profits, showing in quinquennial groups—

(*a*) as respects policies for the whole term of life—

(*i*) the total amount assured (specifying sums assured and reversionary bonuses separately), grouped according to ages attained;

(*ii*) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable throughout life, and of the corresponding net premiums, grouped according to ages attained; and

(*iii*) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable for a limited number of years, and, either, the corresponding net premiums grouped in accordance with the grouping adopted for the purposes of the valuation, or, the annual loading reserved for the remaining duration of the policies, grouped according to ages attained;

(*b*) as respects endowment insurance policies—

(*i*) the total amount assured (specifying sums assured and reversionary bonuses separately), grouped in accordance with the grouping adopted for the purposes of the valuation; and

(*ii*) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable, and of the corresponding net premiums, grouped in accordance with the grouping adopted for the purposes of the valuation:

Provided that—

(*a*) as respects endowment insurance policies which will reach maturity in less than five years, the information required by sub-paragraph (*b*) (*i*) of this paragraph must be given for each year instead of in quinquennial groups; and

(*b*) where the office premiums payable under policies for the whole time of life for a limited number of years, or the office premiums payable under endowment insurance policies, or the corresponding net premiums, are grouped for the purposes of the valuation otherwise than according to the number of years payments remaining to be made, or, where the sums assured under endowment insurance policies are grouped for the purposes of the valuation otherwise than according to the years in which the policies will mature for payment or in which they are assumed to mature if earlier than the true year, then, in any such case the valuation constants and an explanation of the method by which they are calculated must be given for each group, and in the case of the sums assured under endowment insurance policies a statement must also be given of the amount assured maturing for payment in each of the two years following the valuation date.

3. Statements as respects any policies in force under which premiums cease to be payable, whether permanently or temporarily, during disability arising from sickness or accident, showing the total amount of the office premiums payable.

4. Statements as respects immediate annuities on single lives for the whole term of life, separately prepared in respect of annuities on male and female lives, showing in quinquennial age groups the total amount of such annuities.

5. Statements as respects deferred annuities, separately prepared in respect of annuities on male and female lives, showing the specimen reserve values for annuities of one hundred rupees which will be produced on maturity on the basis of valuation adopted at ages, in the case of male lives, 60 and 65, and in the case of female lives, 55 and 60; the said statements must show the specimen reserve values which will be produced under the table of annual premiums in use for new policies, and if under any other table of annual premiums in use for any other deferred annuity policies in force smaller reserve values will be produced, the like specimens of these must also be given.

6. Statements as respects any policies of insurance upon the lives of a group of persons, whereby sums assured are payble in respect of the several persons included in the group, showing the total claims paid since the date as at which the last statements were prepared under this Part of this Schedule or, where no such statements have been prepared, since the date on which the insurer began to carry on the class of business to which the statements relate, and the reserves for unexpired risks and outstanding claims.

THE SIXTH SCHEDULE.

(SEE SECTION 55.)

Rule as to the valuation of the Liabilities of an Insurer in Insolvency or Liquidation.

The liabilities of an insurer in respect of current contracts effected in the course of life insurance business including annuity business, shall be calculated by the method and upon the basis to be determined by an Actuary approved by the Court, and the Actuary so approved shall, in determining as aforesaid, take into account—

(*a*) the purpose for which such valuation is to be made,

(*b*) the rate of interest and the rates of mortality and sickness to be used in valuation, and

(*c*) any special directions which may be given by the Court. The liabilities of an insurer in respect of current policies other than life policies shall be such portion of the last premium paid as is proportionate to the unexpired portion of the policy in respect of which the premium was paid.

Printed by the Superintendent at the Government Press, Bangalore.